

Meanwhile, other states are taking full advantage of the chaos in Alabama. A few days after the German executive was arrested, the *St. Louis Post Dispatch* in Missouri ran an op-ed piece titled "Hey, Mercedes, Time to Move to a More Welcoming State". "We are the 'Show Me' state, not the 'show me your papers' state," the article said.<sup>17</sup> Its invitation to the company to locate its new plant in Missouri demonstrated that the Alabama Law, at the very least, is not the best public relations campaign on which to build a region's economic future.

## TEN

### THE BOOMING BUSINESS OF IMMIGRANT DETENTION

IN MID-MARCH 2012, ON A HOT DAY IN ARIZONA, MORE THAN EIGHTEEN HUNDRED local, city, state and federal law enforcement employees and industry leaders flocked to Phoenix for the Border Security Expo, where the very latest technology in this growing field was on display.

Drone aircraft, heat-sensitive goggles, infrared night-vision cameras, and radars vied for attention, sophisticated machinery developed by companies that see border security as a profitable business of the present and the future. As military spending for the wars in Iraq and Afghanistan dwindles, these companies are hastening to explore new markets and opportunities.

The industry sees abundant opportunity in border protection, because government spending is not declining in this area, but just the opposite: Over the past decade spending has steadily increased, and that trend will only continue. In early April 2012, the Border Security Expo's Twitter account proudly announced that its 2013 convention was already 40 percent sold to vendors, within just days after the current year's expo closed. In another message to its fans, the expo optimistically outlined the future for this bright industry: "The U.S. spends 5.5 billion dollars on

National Security, and that is projected to increase to 10 billion dollars over the next few years."

In fiscal year 2012 alone, the US government spent \$4 billion on technology for national security. Part of that money, \$1.5 billion, was allocated for constructing a new "virtual wall" along the Mexican border. The first time the project was attempted, the government spent over \$1 billion on a contract with the giant Boeing Corporation. After five years of delays, budget overruns, and changes to the terms, the government had to cancel the contract, after only fifty-three miles of the Arizona border with Mexico had been fenced.

Corporations are lining up to compete for the money: General Dynamics Corporation and EADS, a European defense contractor, are bidding jointly; Lockheed Martin, Northrop Grumman, Raytheon, and once again Boeing will all bid for the massive contract.

Regulating and applying restrictions to immigration and detaining, imprisoning, and deporting immigrants is one area where commerce and government intersect and where action on a policy arena can bring great profit to an industry.

Astute corporate executives forecast a rosy picture: "I can only believe the opportunities at the federal level are going to continue apace as a result of what's happening (in Arizona with SB 1070). Those people coming across the border and getting caught are going to have to be detained and that for me, at least I think, there's going to be enhanced opportunities for what we do," explained Wayne Calabrese, president of GEO Group, a corporation that constructs, buys, and manages private prisons.<sup>1</sup>

Calabrese made those comments in May 2010, a short time after Arizona governor Jan Brewer signed SB 1070 into law.

The federal government's large and growing investment in border protection and detention and deportation of immigrants is one of the most important areas of job creation, generating lucrative contracts for private companies and the public sector. But

private businesses—and labor unions representing immigration and border control workers—can be closely tied to the advancement of government policies designed to arrest, detain for lengthy periods, and deport increasing numbers of immigrants.

The fact that Arizona is at the epicenter of this thriving industry is no accident. Arizona was the first state to develop its own laws targeting undocumented immigrants. The Arizona Law was passed in 2010, about fifteen years after that state became the most popular route for illegal immigration, following the 1996 passage of the Illegal Immigrant Reform and Immigrant Responsibility Act and Operation Guardian, which effectively sealed off California's border and redirected the flow of crossers through Arizona's deadly mountain and desert terrain.

But the hardening of policies on the state level did not happen in 1996. It is happening now, in the midst of a stubborn economic recession, when the numbers of border crossers has dropped precipitously and when the prison population is shrinking as a result of lower crime rates and because states are cutting budgets and releasing nonviolent offenders to cut costs. In other words, the hardening of immigration enforcement comes at a time when for-profit border security interests and private prison management companies are actively seeking out new markets for their services and products. It is a market that, according to investigative reports, they helped to create.

Jan Brewer gave the keynote address at the 2012 Border Security Expo, almost two years after signing SB 1070, which was passed to intensify the persecution of undocumented immigrants and increasingly involve local police in their identification. The law could greatly increase the number of immigrants who are detained and deported.

Brewer is closely connected to the private prison industry. Her spokesman, Paul Senseman, as well as her campaign director, Chuck Coughlin, were both former lobbyists for private prison

companies. Aside from these links, there are signs that the prison industry did more than just suggest that a law such as SB 1070 be enacted: It might have had a direct hand in pushing for and even drafting the legislation.

An investigation spanning several months conducted by National Public Radio (NPR) and published in October 2010 revealed the process through which Russell Pearce, former senator from Arizona and a principal architect of SB 1070, presented the idea for the measure to a group meeting in a conference room at the Grand Hyatt Hotel in Washington, DC, in December 2009. Some among the group were affiliated with the American Legislative Exchange Council (ALEC).<sup>2</sup>

ALEC brings together state legislators, representatives of interested corporations, and other associations. In that room where Pearce waited to lay out his vision for the state law, crafted with the help of Kansas State Attorney General Kris Kobach, also were representatives from the private prison industry, in particular CCA, the Corrections Corporation of America, the biggest company of its kind in the country.

Nor only did they discuss what the proposed law would cover, they also went over the exact language of the draft legislation, which would serve as "a model" for the Arizona Law and others that they wanted to see pass all across the country. After discussing the details, there was a vote that unanimously supported the model. "No one voted no," Pearce told an NPR reporter. "I never had one person speak up in objection to this model legislation."<sup>3</sup>

In the same report, ALEC spokespersons acknowledged that part of their work is to bring business interests and legislators together in the same room, sitting around the same table, to talk about proposed legislation and even to reach a consensus in drafting and editing the exact text of the laws. This process is perfectly legal under United States law.

The potential influence of ALEC went beyond that meeting in Washington DC, thousands of miles from Arizona's border. Most of the thirty-six cosponsors of the bill in the Arizona state legislature had attended that ALEC meeting, and of those, thirty received donations from lobbyists connected to CCA and the GEO Group, another big private prison company within a few months. SB 1070 landed on Governor Brewer's desk in April 2010, and she promptly signed it into law.

According to a report issued by Public Campaign, an organization advocating reform of campaign contribution laws, lobbying by prison corporations is strategic, since they have political action committees (PACs) and also contribute directly to candidates who support their interests.<sup>4</sup> For example, PACs and executives of the private prison industry across the country have donated at least \$3.3 million to parties, campaigns, and other PACs since 2001. The prison industry has also donated \$7.3 million to candidates and parties on the state level since 2001. These local donations rose notably by \$1.9 million in 2010, the same year the Arizona Law passed.

"It is hard to know just how much these companies really spend since their finances are not transparent, precisely because they are private companies and not public entities," points out Emily Tucker at the Detention Watch Network.<sup>5</sup>

What is very clear is that companies like Geo Group and CCA, the two biggest players in the private prison business in the United States, have enjoyed great success in recent years. It's a very healthy business climate for them, and they do not seem to have felt any ill effects from the recession. In fact, GEO Group and CCA have experienced a recent growth spurt. This growth did not stem from state-level contracts, since many states face serious budget shortfalls, but from contracts with the federal government, especially for immigrant detention centers.

Until recently, three main companies in the country were dedicated to constructing, renovating, and administering private prisons and won public government contracts: CCA, GEO Group, and Cornell. Cornell was acquired by GEO in 2010, making CCA and GEO the two industry leaders.

The two companies had combined earnings of almost \$3 billion in 2010 and controlled 75 percent of the private prison market. Most of their contracts are for state prisons, but, as mentioned, that is not where their future lies, since state governments currently do not have funds for new prisons.

Since 2001, CCA's earnings have increased by 88 percent, while GEO's earnings grew by 121 percent. GEO is a multinational corporation that also manages immigrant detention in other countries. For example, GEO manages a prison for immigrants in Scotland located in a castle that used to belong to a duke, who used it for hunting expeditions in the countryside. Now it belongs to the government of Great Britain.

In the United States, the detention of immigrants has increased steadily since 1996: The number of immigrants detained for immigration infractions has tripled since that date. Over the past five years the number doubled, according to an analysis conducted by the Detention Watch Network.<sup>6</sup> Every year US authorities detain at least 300,000 immigrants in contracted state prisons, private detention centers, and various centers that the federal government directly oversees.<sup>7</sup>

Cuts in state spending for prisons and the budget crisis that state and local governments are grappling with have translated into new opportunities for companies in the flourishing immigrant detention field. And the federal government's investment in more prison beds, contracting space that is left vacant in public prisons by the budget cuts implemented by states and local governments, and the construction of new immigrant detention centers all point to a very bright future for private corporate interests.

In a recent issue of its internal magazine, *GEO World*, GEO Group revealed that it would reap substantial rewards from two new facilities that it would be managing for the federal government: one in California and the other in Texas.<sup>8</sup> The article describes how the company was finalizing the renovation of the Adelanto Processing Center in southern California for a federal client, with a 650-bed capacity.

This project represented a significant amount of money for the company: Between contracts for the two facilities, GEO's earnings would increase by \$15 million annually. To ensure that former prison employees did not lose their jobs, Adelanto won a contract with Immigration and Customs Enforcement (ICE) to install an immigrant detention center there, and GEO was subcontracted to manage it, adding an additional 650 beds to the existing capacity of federal immigration detention.

GEO is striking similar deals with states and counties around the country for new federal immigrant detention centers. According to GEO, the center in Texas will be "a new civil detention center" for "low-risk" immigrants—that is, not criminals.

CCA is actively seeking to turn local budget crises to its own advantage, expanding its business and winning the right to manage more prisons that currently are under public jurisdiction. In 2011, CCA sent letters to forty-eight state governments, offering to help them fill state coffers by buying the prisons the governments could no longer afford to manage. In exchange, CCA requested binding contracts to administer the prisons for at least twenty years and a guarantee that the states would keep the prisons at a minimum of 90 percent occupied for the duration of the contract, which is crucial because CCA is paid on a per-prisoner basis.

CCA asserts that turning the prisons over to them would save states a substantial amount of money over the long term, and several states have already taken the bait. But various state reports

have shown that selling prisons to private corporations does not necessarily result in a savings for taxpayers.<sup>9</sup> It is more costly than for states to run them, because even when the private company manages the prison and the inmate population, the state still has to pay for medical care, which the private companies do not include in their services but which the state is obligated to provide. And once a corporation buys a prison, the state loses control over its inmates, since it is not so simple to cancel a contract when the facility becomes the corporation's private property.

Another indication of the cozy relationship between the government and corporations is the fact that many former government officials go on to become lobbyists for the very companies whose work they oversaw while in government. In their new, lucrative positions they influence former coworkers on the payroll of private companies that benefit handsomely from that influence. This "revolving door" of government and lobbying activities happens in all areas of the economy, and national security and border control is no exception.

There is nothing new about private and public interests aligning to achieve public objectives; such alliances have existed since the nation's founding. But the influence and involvement of the private sector in the areas of criminal justice and border control has grown in recent decades. The players move easily back and forth between public and private spheres, a phenomenon ethics watchdogs call the revolving door.

"Right now we are analyzing the relationships these companies have with present and former government officials in immigration," explains Emily Tucker, an investigator with the Detention Watch Network.<sup>10</sup>

Almost all industries have their own revolving doors: former government officials who go to work for private companies and who function as lobbyists or advisors on how to influence the areas of government in which they themselves are expert.

One example is Julie Myers, who was the assistant secretary for Homeland Security for ICE under the George W. Bush administration. She is currently a lobbyist for GEO, after GEO bought another company called Behavioral Interventions (BI), for which Myers was previously a lobbyist. BI developed alternatives to incarceration, including electronic monitoring devices that are strapped to the ankles of some immigrant detainees who are released from custody on bail. The use of technologies that provide alternatives to detention of immigrants, like the ankle bracelets, is a growing part of the detainment business, as the Obama administration is under political pressure to come up with more humane ways to detain low-risk immigrants.

Another example is former secretary of Homeland Security Michael Chertoff. His private company, the Chertoff Group, offers consulting services to giant defense and security corporations while Chertoff, who sits on the boards of several security and defense companies, advocates in the media for policy measures to shore up national security. A third example is Harley Lappin, chief corrections officer at CCA, who was formerly the director of the Federal Bureau of Prisons.

Government officials often move to the private sector for a while, only to eventually return to a position in government once their political party returns to power and hands out nominations. The Center for Responsive Politics, which studies the relationship between politics and influence, and money, explains what happens:

Although the influence powerhouses that line Washington's K Street are just a few miles from the U.S. Capitol building, the most direct path between the two doesn't necessarily involve public transportation. Instead, it's through a door—a revolving door that shuffles former federal employees into jobs as lobbyists, consultants and strategists just as the door pulls former hired guns into government careers. While officials in the executive branch, Congress and senior congressional

stiffers spin in and out of the private and public sectors, so too does privilege, power, access and, of course, money.<sup>11</sup>

Militarizing the border and detaining and locking up immigrants for long periods will not solve the problem of illegal immigration in the short or the long term. But these methods do generate billions of dollars and political benefits for the people who are constantly passing through that revolving door and the corporations that pay them.

## ELEVEN

### REJECTING EXTREMISM AND THE SEARCH FOR SOLUTIONS

*The facts are incontrovertible that allowing an illegal invasion of the United States will destroy the American Southwest, and very probably wipe out the freedoms we American Christians enjoy, as Muslim Extremists blend in with the so-called "innocent" illegal aliens, and eventually proselytize them.*

—Tim Donnelly, California assemblyman, founder  
of the Minuteman Party, October 2010

*You can't round up 12 million people to ship them across the border. That's a disaster. We need comprehensive immigration reform with a path to citizenship.*

—Jerry Brown, Governor of California, February 2012

TIM DONNELLY TRIUMPHED IN THE CALIFORNIA ASSEMBLY ELECTION OF November 2010, winning a seat in a conservative district in the San Bernardino Hills, an hour away from Los Angeles. His identification with the Tea Party movement, then at the height of its popularity since it first splashed onto the national scene in 2009, certainly helped propel him into office.

The Tea Party had been born as a movement parallel to but separate from the Republican Party, although it espoused